

EDUCATIONAL TECHNOLOGY [MODERNIZATION]

PURPOSE OF REPORT

To clarify the allocation of funds set aside for Educational Technology allowance for modernization projects.

DESCRIPTION

At the State Allocation Board (SAB) meeting on September 25, 1996, action was taken to set aside \$49.5 million to increase the education technology allowance for modernization projects. The allowance was intended for modernization projects funded for Phase C from Proposition 203 funds and is to be used only for wiring/cabling or building upgrades necessary as a result of the added education technology.

Prior to this increase in the education technology allowance, modernization projects were authorized an education technology allowance equal to 1.25% of the current replacement value of the facility to be modernized pursuant to AB 1162 (Eastin). Language in Proposition 203 enabled the SAB to increase that allowance, but only for projects funded for Phase C with Proposition 203 funds. It is understood that the intent of the SAB was to provide the added education technology allowance to all current and future modernization projects; however, any permanent increase in this allowance must be authorized by specific legislation. Therefore, any modernization project not funded for construction phase (Phase C) from Proposition 203 funds is only eligible for an education technology allowance equal to 1.25% of the current replacement value of the facility to be modernized.

Based on the set aside of \$49.5 million for this purpose and the modernization projects either funded or to be funded for construction phase (Phase C) with Proposition 203 funds, it is projected that the education technology allowance will be increased by an amount equal to 2.75% of the current replacement value of the facility to be modernized. This added increase will provide a total allowance for education technology equal to 4% of the current replacement value of the facility to be modernized.

At the Implementation Committee meeting held on October 4, 1996, members discussed the Board's action regarding education technology funding availability for modernization projects (maximum 4%). It was the consensus of this Committee that if the increase required to fully fund education technology was going to reduce funds available to modernize existing schools, that the level of funding made available by the State Allocation Board should remain at the 4% level.

As a result of the Board's action at the September 25, 1996 meeting, the OPSC intends to distribute funds for education technology as follows:

Allocate the \$49.5 million to all modernization projects funded for a construction phase (Phase C) from Proposition 203 at the next SAB meeting. Each project is to receive an apportionment for the added education technology equal to 2.75% of the current replacement value of the facility to be modernized. Provide that all education technology allowances may only be utilized for wiring/cabling or building upgrades necessary as a result of the added education technology.

(Continued on Page Two)

ATTACHMENT A
Page Two

OTHER ALTERNATIVES

1. Reserve additional funds (approximately \$15 million) available from the modernization category to fund those projects that have received a construction apportionment (Phase C) as of October 23, 1996, State Allocation Board meeting. Fund any future education technology for modernization projects at a full 5% as an on-going eligible cost from the modernization category as long as funds are available.
2. Reserve additional funds (approximately \$15 million) available from the modernization reserve category to fund those projects that have received a construction apportionment (Phase C) as of October 23, 1996, State Allocation Board meeting. Fund any future education technology for modernization projects at a full 5% as an on-going eligible cost from the modernization reserve category as long as funds are available.
3. Distribute the \$49.5 million, however, allow districts to be reimbursed for the balance of the 1% from future bond measures.

BOARD ACTION

In considering this Item, the Board approved the OPSC's intent for the distribution of funds for education technology as reflected in the last paragraph on page 168a.